

REVISED

**MINUTES
ANNUAL PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, DECEMBER 14, 2021 AT 9:00AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:10a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Secretary Robert Strauss (telephonically), Barbara Armand (appointed and sworn in at 9:33a.m.), Charles Howell (telephonically), David Keller and George Keller (joined at 9:24a.m.). Also present: Executive Director Christine Bailey; Keith Reynolds, and Felicia Ewell of Segal Marco; and Ronald Cohen of Lorium Law.

A. December 14, 2021 Annual Board Meeting Agenda

Mr. Cohen requested that the Board add Agenda Item 6.B. Request for Executive Session to Discuss Pending Litigation.

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to adopt the revised December 14, 2021 Annual Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

B. Appointment of an Employee Trustee

Ms. Bailey advised that with the retirement of Trustee Cassidy, the ordinance governing the Fund stated that, for a vacancy with less than one year remaining on the term, the Board should appoint a successor who meets the requirements for the vacated office from among those who submitted a written expression of interest to the Board. She noted that she had received one written expression of interest from Barbara Armand.

Ms. Armand stated that she was a City employee with over 22 years of service, had been an Officer of the AFSCME Local 2432 for 10 years, and was currently the Treasurer. She advised that she would welcome the opportunity to help City employees. She also advised that she had attended the meeting in the past and had stayed on top of pension and Board Issues.

MOTION made by Trustee D. Keller, seconded by Trustee Howell, to appoint Barbara Armand as a member of the Board. In a roll call vote of the members present, all members voted in favor. **Motion** passed 4-0.

C. Election of Chair, Vice Chair and Secretary

Trustee Shaw requested that this item be addressed after Ms. Armand was sworn in and Trustee G. Keller was able to join.

3. CONSENT AGENDA

- A. November 16, 2021 Regular Meeting Minutes
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to approve Consent Agenda Items 3a through 3c. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

4. FINANCIAL

- A. Ms. Bailey provided the Board with the Final July 31, 2021; Final August 31, 2021; and the Draft September 30, 2021 Financial Operations and Investment Summaries. Ms. Bailey noted that there was an unreconciled amount of \$1.5 million on the July Final Report as a particular transaction was processed across months. She noted that the unreconciled amount was resolved on the August Report. Ms. Bailey also provided the Budget Variance Report as of October 31, 2021.

5. **INVESTMENT (Keith Reynolds – Segal Marco)**

A. October 2021 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for October 2021. He noted the Fund's market value of assets as of October 31, 2021 increased to \$463.7 million. He also noted that the estimated return for the Fund was about 2.5% net of fees for the month of October 2021.

B. Investment Policy Statement Update

Mr. Reynolds provided the Board with proposed new language to update the Investment Policy Statement. Trustee Shaw requested that Trustee D. Keller work with Segal to draft language for an Environmental, Social, and Governance Policy (ESG).

Trustee Shaw welcomed Trustee Armand to the Board.

C. 2021 Work Plan

Ms. Reynolds provided the Board with the review of the Fund's accomplishments in calendar year 2021, including investments in Affiliated Housing, emerging managers and private credit. He noted that the Plan would focus on an analysis of the existing managers and their performance, ESG and the emerging manager programs in the coming year.

Trustees thanked Mr. Reynolds for Segal's work that helped to generate the excellent returns on the Fund's investment.

2. **ROLL CALL AND PLEDGE OF ALLEGIANCE**

B. Election of Chair, Vice Chair and Secretary

MOTION made by Trustee G. Keller, seconded by Trustee D. Keller, to nominate Robert Strauss to the position of Secretary. No other nominations were received. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

MOTION made by Trustee Strauss, seconded by Trustee Armand, to nominate George Keller to the position of Vice Chair. No other nominations were received. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

MOTION made by Trustee Strauss, seconded by Trustee D. Keller, to nominate Phyllis Shaw to the position of Chair. No other nominations were received. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

6. **LEGAL (Ron Cohen – Lorium Law)**

a. Update on Investment Contract

Mr. Cohen advised that Marathon and Neuberger Berman were scheduled to close in January. Mr. Reynolds noted that the Marathon close may be pushed back to March.

Mr. Cohen advised that IRS rules that Nationwide 401(a) needed to be updated and restated every six years. He noted that the updated restated plan included a new indemnity clause in the event the employer not complying with the provisions of the plan.

Mr. Cohen noted that the Core Concepts was expected to be completed shortly.

Mr. Cohen reviewed the Sunshine Laws with Trustees. He noted that the Fund was not covered by ERISA and that Trustees did not have to be right but they must take care, using skill, prudence and diligence.

7. EXECUTIVE DIRECTOR'S REPORT

a. City Commission Communication

The Board received the City Commission Communication with the update of the newly appointed Trustee and correction to the pending litigation awaiting court action.

b. CPMS Update

Mr. Tunncliffe and Mr. Ziegler provided the Board with a CPMS Project Update. They advised that considerable progress had been made in some areas including the baseline member groupings as of October 1, 2021 and change trackers, identifying prospective CPMS Data Sources and preliminary data mapping. They identified issues with disparate data systems, delayed PTG startup, limitations and timing of City involvement, and the lack of a CPMS Project Plan.

Mr. Tunncliffe advised that there was a significant gap in the execution of detailed analysis and data extraction from the various sources of data that have been identified. He noted that the main sources of data would be the Oracle Database and the Millennium System. He also noted that while the project started on July 1, 2021, PTG contract was not signed until September 16, 2021, pushing Go-live back to October 2022. He further noted that PTG had limited engagement in October and November as they await data and had assigned additional staff to the project on December 6, 2021.

Mr. Tunncliffe advised that while the City IT and HR/Payroll have been helpful, their availability was limited and their processes had affected the availability of information. He also advised that PTG had not yet provided a Project Plan documenting activities, milestones, task assignments, target dates and dependencies. He noted that PTG had advised that they were unable to provide a project plan without reviewing the data but had since agreed to provide a detailed plan excluding target dates.

Mr. Tunncliffe highlighted the current project risks; potential data issues and cost. He noted that the Oracle work schedule as well as the need for detailed data analysis and extraction effort would necessitate an extension to the timeline and stated that once the Oracle work effort was approved by the City, a more precise timeline and any impact thereto could be identified.

In response to questions, Mr. Ziegler noted that the Oracle project had two phases. First, the historical data extractions and conversions during the project, and second, once the system went live, the ongoing bi-weekly payroll feed.

Ms. Bailey advised that the City's outside vendor, Highstreet had provided a proposal based on the level of effort needed to extract the data from the Oracle system and she expected the City to approve the work shortly. She requested that the Board approve an expenditure of \$51,000 for the Highstreet level of effort.

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to approve the level of effort of \$51,000 to have Highstreet generate data extracts and feeds. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0. Trustee Howell could not be heard due to technical difficulties.

Ms. Bailey noted that there were concerns about the data quality from the disparate systems and recommended that GTJZ Consulting provide the detailed data analysis and extraction assistance to expedite the process of data conversion and cleansing.

c. Communications from the Executive Director

- Ms. Bailey noted that the Resolution of Appreciation for Christopher Cassidy was not adopted at the November meeting and requested that it be adopted.

MOTION made by Trustee Strauss, seconded by Trustee Armand, to adopt the Resolution of Appreciation for Christopher Cassidy. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

- Ms. Bailey advised that eight life certificates remained outstanding. She provided a draft letter which would be sent out to these retirees stopping their benefits on January 25th should the certificate not be returned.
- Ms. Bailey advised the Board that 31 distributions remained for the FY2012 13th Check Settlement totaling \$179,324.79. She noted that she would be working with Mr. Cohen to develop a policy to process unclaimed monies held by the Fund.
- Ms. Bailey advised that two applications for candidacy had been received for the new term of an employee-elected member of the Board. She noted that nominations would close on December 23rd at noon.
- Ms. Bailey advised that the disability application of a member had been forwarded to the Human Resources Department to obtain their position on the application.
- Ms. Bailey provided the Board with the DROP and Planned Retirement Participant Lists.

8. **PUBLIC COMMENTS**


There were no public comments.

9. **TRUSTEE REPORTS, QUESTIONS AND COMMENTS**

Trustees welcomed Trustee Armand. They expressed their appreciation to Mr. Reynolds, Mr. Cohen, and their staff as well as the staff of the Pension office and wished all a happy holiday as we look to the goals of the New Year.

10. **ADJOURNMENT**

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:15p.m.



Phyllis Shaw, Chair
9/2/2022

Date